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Promoting Agriculture, Health and Alternative Livelihoods (PAHAL) Program

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Awardee HQ Contact Name	Alan Glasgow, Regional Director, South and East Asia
Awardee HQ Contact Address	45 SW Ankeny St NW Portland, OR 92704
Awardee HQ Contact Telephone Number	1-503-896-5853
Awardee HQ Contact Email Address	aglasgow@mercycorps.org
Host Country Office Contact Name	Mark Pommerville
Host Country Office Contact Telephone Number	+977-1-501-2571
Host Country Office Contact Email Address	mpommerville@mercycorps.org

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Acronyms

ACD	Annual Collection of Data
AGCD	Annual Agriculture Collection of Data
CC	Collection Center
CDP	Community Development Plan
CFUG	Community Forestry User Group
DFO	District Forest Office
D/VWASHCC	District/Village Water, Sanitation and Hygiene Coordination
EMMP	Environmental Mitigation and Monitoring Plan
EWS	Early Warning System
FG	Farmer Group
FLT	Financial Literacy Training
GESI	Gender Equity and Social Inclusion
ICT	Information and Communications Technology
IPM	Integrated Pest Management
LNGO	Local Non-Governmental Organization
MSME	Micro, Small and Medium Enterprises
MPC	Marketing Planning Committees
MUS	Multiple Water User System
NCE	No-cost Extension
NRM	Natural Resource Management
NTFP	Non Timber Forest Product
OCI	Organizational Capacity Index
PAHAL	Promoting Agriculture, Health and Alternative Livelihoods Program
SFM	Sustainable Forest Management
SMC	School Management Committee
USAID	United States Agency for International Development
WASH	Water Sanitation and Hygiene
WQAP	Water Quality Assurance Plan
WUG	Water User Group

1. Introduction

The Promoting Agriculture, Health and Alternative Livelihoods (PAHAL) program is a $25 million, five-year United States Agency for International Development (USAID) initiative designed to achieve food security among vulnerable populations in 14 districts in the middle and high hills of Far-West and Mid-West Nepal. PAHAL is a Development Food Assistance Project under the Bureau for Democracy, Conflict and Humanitarian Assistance/Office of Food for Peace that takes a multi-dimensional, systems approach to address the underlying socio-political, economic and ecological constraints, and the related shock and stress exposures, that drive food insecurity in Nepal. The program's sub-purposes form the resilience pathways, which will enable people of the vulnerable communities to:

- Better cope with and absorb shocks and stresses;
- Adapt to better health and livelihood strategies in order to effectively reduce exposure to and impact of shocks and stresses; and
- Recover quickly and 'bounce back better' through transformed systems in the face of shocks and stresses.

Since food insecurity and the risk of backsliding due to shocks and stresses is caused by a myriad of factors, resilient food security requires the simultaneous application of multiple food security strategies combined with increased resilience capacities across ecological, economic and social systems. Accordingly, PAHAL takes a systems approach, strategically linking sub-intermediate outcomes and key results under coordinated work plans. Specifically, PAHAL classifies its intermediate outcomes under key systems as follows:

Ecological	Economic	Social	Transformative
Productive natural resources and natural resource management systems (sub-IO 6) Effective disaster risk management services, strategies and technologies (sub-IO 3) Improved water and water technology access (as part of sub-IO 2)	Appropriate and diverse financial services and products (sub-IO 4) Dynamic and responsive agricultural and non-agricultural markets (Sub-IO 5) ● Agricultural Production ● Alternative Livelihoods	Quality health and nutrition services and information (sub-IO 1) Improved Water, Sanitation and Hygiene (WASH) technologies (sub-IO 2)	Increased participation, agency and voice of vulnerable groups in governance processes (sub-IO 7) Enabling rules and regulations applied (sub-IO 8) Enabling knowledge systems, attitudes and perceptions across community, private sector and government institutions (sub-IO 9) Improved social capital across diverse community groups, private sector stakeholders, and government institutions (sub-IO 10)

2. Performance Summary

PAHAL's implementation of its interventions in the 46 Rural/Municipalities of the 14 targeted districts ended March 31, 2019, as planned in preparation for program close-out.

As PAHAL continued its fifth year of implementation, the program focused on creating sustainable impact and ensuring that community groups are working together across systems as part of PAHAL's resilience integration approach. Under each technical sector, the program conducted interventions aimed at directly improving the sustainability of community groups. This included improved planning and governance, focused on ensuring that the knowledge, resources and motivation remains intact after program closeout. In addition, under each technical sector, the program conducted interventions between community groups to ensure that groups are achieving high level food security and resilience results. The resilience integration diagram highlights the different community group linkages within the program's integrated work plan.
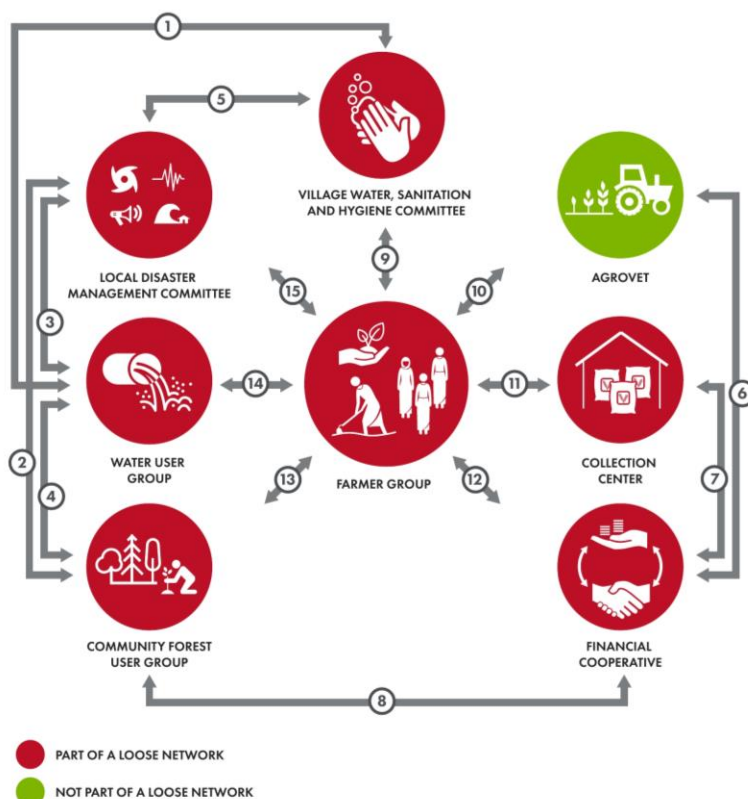
Figure 1 Diagram of PAHAL's Resilience Integration Approach

PAHAL's interventions directly benefited over 7,201 unique beneficiaries during this quarterly reporting period. The numbers of registered individuals who participated in PAHAL activities during the third quarter are outlined in *Table 1* by district.

Table 1: Number of Unique Individuals Benefiting Directly from USG Assistance

Far-West Region	Q3	LOA	Mid-West Region	Q3	LOA
Accham	299	6,621	Dailekh	988	6,714
Baitadi	478	7,008	Jajarkot	908	7,597
Bajhang	231	8,116	Pyuthan	989	5,802
Bajura	530	7,413	Rolpa	334	7,595
Dadeldhura	353	9,106	Rukum	752	6,653
Darchula	129	5,494	Salyan	290	7,557

Doti	623	5,693	Surkhet	297	6,489
Totals	**2,643**	**49,451**	**Totals**	**4,558**	**48,407**

The total number of people who participated in project activities is presented by sector in *Table 2*.

Table 2: Number of Individuals Participating in PAHAL Activities by Sector

Technical Sector	Q3	Female	Male
Agriculture	3,725	2,833	892
Financial Services	1,457	1,047	410
Natural Resource Management	0	0	0
GESI	73	30	43
Water	1,587	1,027	560
Nutrition (only)	0	0	0
WASH	39	20	19
Governance	899	604	295

The number of people reached by system and system combinations is shown in *Table 3*.

Table 3: Unique Participant Table by Resilience System, Quarter 3

	Social	Economic	Ecological	Transformative
Social	35	0	0	4
Economic	0	4,705	179	148
Ecological	0	0	1,355	51
Transformative	0	0	0	703
Social/Economic/Ecological				0
Social/Economic/Transformative				0
Social/Ecological/Transformative				0
Economic/Ecological/Transformative				21
All Four Systems				0

2.1 PAHAL Resilience Integration Approach and Integration Monitoring Tool (IMT)

The PAHAL program builds the capacity of communities to learn, cope, adapt and transform in the face of risks (shocks and stresses). The program has learned that it is not enough to limit the program's focus on traditional sectoral programming since shocks and stresses do not abide to sectoral boundaries; resilience transcends into a process we call integration. We've learned that for sustainability, the establishment and strengthening of linkages between community actors is absolutely crucial for lasting resilience. Therefore, to advance this scope, PAHAL developed a Resilience Integration Approach that brings local stakeholders (service providers, community groups, local government and others) together to identify and plan mutual benefitting activities, which the program and community can undertake to achieve food security and build sustainable resilience.

In PAHAL's experience, integration is easier at certain intersections, which we call "nexus interventions." These are spaces where mutual benefit exists and different groups have strong incentives for cooperating. Within its broader resilience integration approach, and informed by community mapping and a series of focus group discussions, PAHAL developed an assessment tool called the Integrated Monitoring Tool (IMT). The IMT is a means to measure the status of community resilience by focusing on those nexus interventions and enabling better planning for resilience capacities in each community.

The IMT has given field teams the ability to not only measure community progress, but to address gaps specific to each community's development needs and priorities, and to develop work plans tailored to the subtle variations in each local context, thereby intentionally and consistently driving strategy for the program. This bottom-up planning process also serves to address the shortfalls in the program's work planning process that were noted during the early stages of the program by instilling a process that requires close collaboration and coordination across technical areas. The IMT, applied in 242 communities across 46 rural/municipalities of mid and far west Nepal, provides field teams with a different level of performance based data. This data facilitates a better understanding of the progress made through the program's integrated implementation approach, its impact in communities, and any critical capacity gaps that remain - thereby helping teams with their planning and decision-making.

The IMT is comprised of a list of integration initiatives that are expected to be present in and lead to specific outcomes mutually beneficial to various groups in each community. Each initiative is addressed through multiple resilience indicators that are expressed through questions in the overall IMT tool that merge the integration of at least two program sectors per question. To start IMT process off, field teams rank each community's resilience progress, then identify the activities based on further assessment and discussions that need to be facilitated in order to address each particular gap in a community's development trajectory. Final scoring includes assessing a score (1-5) for each community for the 14 indicators developed for the tool: 1- no action taken, 2- knowledge enhanced, 3- perception changed, 4- resilience strategies implemented, and, 5- tangible outcomes achieved.

Subsequently, achieving outcomes for each indicator/initiative requires multiple sector teams working together, which leads to integrated work plans at the field level. These integrated work plans are developed every month and shared with the regional and central technical support teams with focus on the program's four structural systems: i) ecological, ii) economic, iii) social, and iv) transformative. At the end of each month, the field teams meet again to discuss progress achieved on the 14 resilience

indicators, status of each community, and challenges faced during implementation. On the basis of their self-assessment, they plan for the upcoming month. Every quarter, all 14 district partners and the regional/central office come together and cross learn from the findings generated by the IMT.

During this program reporting period, the PAHAL teams once again applied the Integration Monitoring Tool (IMT) process to rank all 242 integrated communities. However, because PAHAL field activities were expected to come to an end this period as part of the planned program close-out, the methodology differed slightly this time. Field teams carried out interviews and group meetings in the communities with local stakeholders to better understand and update each community's status around each resilience indicator. Field teams then ranked each community and developed final community work plans in advance of the program's close-out. Those findings were shared with the entire PAHAL team at the Quarterly Review, Reflection and Planning Workshop in Nepalgunj during the week of May 20, 2019.

As part of the close-out process in each of the 242 communities, from late May through June 2019, field teams shared the May IMT results and conducted final planning meetings. Informed by the results of the IMT, stakeholders came together to create concrete community-level action plans to ensure that all gaps identified are addressed moving forward, and a comprehensive suite of resilience capacities are accessible to all program communities, even beyond PAHAL's lifespan. The goal of this exercise was to help community members develop a common vision for each of their settlements and build concrete actions plans with the help of local government and other service providers.

This 3rd Quarter Report provides key assessment findings from the May 2019 IMT process within each section of the report on the four structural systems: i) ecological, ii) economic, iii) social, and iv) transformative.

3. Ecological System

The Ecological System, within the confines of this program, encompass several components of Nepal's ecology: water, land, forests and human beings. The ecological system is comprised of three major subsystems that map to PAHAL's sub-IOs: disaster risk reduction (sub-IO 3), water access and management (sub-IO 2), and natural resource management (sub-IO 6) that contribute to PAHAL's stipulated goal and objectives. The program aims to achieve three major results that map to the sub IOs/or sub-systems:
   (i)   Women, men and community groups apply DRR measures and climate information to prepare for, and respond to, ecological shocks and make on and off farm investments that will ultimately enhance their resilience towards coping with future events;
   (ii) Marginalized community members access quality water services, despite unanticipated water-related shocks and stresses; and
   (iii) Women and men manage communal land forest and water resources to enhance on and off farm livelihoods for marginalized castes, female and male smallholder farmers, and the landless and land poor, all while mitigating exposure to natural hazards.

This section highlights the major achievements towards these results, along with initiations made on integration, layering and sequencing at the systems/subsystems levels.

3.1 Improved access to effective disaster risk management services, strategies, and technologies

PAHAL aimed to increase access for vulnerable households and communities to disaster risk management services and technologies over the first four years of the program. Access to and utilization of disaster risk reduction (DRR) mitigation strategies is an essential resilience capacity that enables households to better prepare for and respond to unavoidable natural disasters, as well as the implementation of preventative measures that reduce exposure to vulnerabilities. In line with its resilience approach, PAHAL ensures that DRR services are integrated across ecological, economic, and social sector activities while strengthening the technical and governance capacity of stakeholders at the different levels of structure from district to village-level DRR committees.

In December 2018, PAHAL phased out the direct implementation of DRR interventions. The Local Disaster Management Committees (LDMCs) continue to participate in loose network interventions and still benefit from indirect support through other technical interventions as described below. LDMC members are working with water user groups (WUGs), community forest user groups (CFUGs), village water, sanitation and health groups, and farmer groups (FGs) to make sure each community group's interventions are considering key mitigation strategies.

As mentioned in the introduction, PAHAL developed an assessment process called the Integrated Monitoring Tool (IMT) as a means to measure the status of community resilience and to better plan for resilience capacity in each community. Of the 14 developed IMT indicators, one indicator is directly related to the disaster risk management component. Based on the May 2019 IMT report, the analysis and findings are presented below:

1. "The farmer groups (FG) are getting climate information from LDMC during monsoon season." Based on the criteria and scoring used by the IMT, all FGs have received training, or know about climate related information, and understand the importance of climate related information. 51% of FGs have received climate related information from LDMCs, but only 4% of FGs are using information received from LDMCs. These findings emphasize that climate related information is available, but only about half of all FGs are accessing it, and that an even smaller percentage rely on it enough to incorporate it into their livelihood practices.

3.2 Better access to improved water technologies

PAHAL's water technology components develop sustainable knowledge and linkages by strengthening the governance structure of community water user groups (WUGs). Water technology interventions focus on WUGs and local government collaborating on the construction of multiple use water systems (MUS) and water harvesting technologies. PAHAL supports WUG members with building their capacity in participatory decision-making processes and in public audit facilitation, which will ensure that group processes are inclusive, transparent, responsive and accountable to constituents. The establishment of effective, functional, and affordable pay-for-use water schemes are being supported by PAHAL. These water schemes lead to achievements in resilience outcomes as they address the stresses related to low water availability and drought and they improve sanitation and hygiene practices that reduce risks from widespread disease and outbreaks.

PAHAL's focus on water service delivery in this quarter focused on supporting WUGs in meeting the identified and ongoing demand for water schemes from communities that had consultations with PAHAL-supported Farmers Groups. During the quarter, PAHAL mobilized WUGs to intervene and lead 24 water scheme projects (9 MUS; 3 drinking water supply maintenances; construction of 4 plastic ponds and 3 soil cement tanks; 4 DRR mitigation activities; and design of one irrigation system), all of which were done with consideration of equitable access to water. PAHAL continued to partner with its communities and the local government to fund each scheme.

In addition to the construction of these water scheme projects, PAHAL supported the WUGs in ensuring effective management of the schemes and their surrounding environment. WUGS developed and executed eight new Environmental Management Plans to protect and sustain their water source habitats and water system operations from contamination. The activities complied with PAHAL's Environmental Mitigation and Monitoring Plan (EMMP) and Water Quality Assurance Plan (WQAP) to train technicians and the community members during the implementation of water schemes.

Currently 2,958 people (1,774 in Brahmin/Chhetri, 739 in Dalit, and 445 in Janajati) are equitably using 12 drinking water schemes for basic drinking and productive use (hand washing & cleaning), serving a key linkage between WUGs and village WASH committees. Increased access to clean water and building capacity on key WASH strategies is essential for families to be more resilient towards potential health shocks and stresses.

> *"We are living in the district's most cursed village where there is high risk of natural hazards every year. On the way to our village (Sariwang), there is the districts largest landslide area." The source from where the community used to fetch water for drinking is located near the landslide area. Each day, womean and children were required to go to that risky area to collect water. With PAHAL's support, the community constructed several water schemes and trained people on improved water use management practices. To date, the community had also collected NRs 30,420 as part of its operation and maintenance fund. "Now I have enough free time that I am using it in kitchen gardening. PAHAL has also supported construction of five plastic ponds where we collect waste water from taps for irrigation use. I have cultivated different varieties of vegetables in my kitchen garden and last month I earned NRs. 34,000 by selling vegetables. I am very happy now since PAHAL not only provided clean water, but also the skills and knowledge needed to use them for better livelihoods opportunities. PAHAL had saved the lives of many peoples in our community with these schemes."*
> Member of the **Sariwang Water User Group in Rolpa**

Similarly, PAHAL facilitated linkages involving 277 people (F: 127, M: 150), between water management groups, government, and distributors of risk-sensitive water management technologies to improve water management supply chains (including water quality testing kits). Furthermore, 56 public audits and participatory evaluations of water schemes were conducted during which 1,514 (F: 942, M: 572) people participated.

WUGs are required to establish operation and management plans, which include monitoring schedules and tariff collection schemes. The total amount of water user fees collected by WUGs through the 3rd quarter is NRs 1,405,570, which fees are intended to repair and maintain water schemes controlled by communities. For the sustainability of the water schemes, PAHAL is also working with the WUGs on obtaining insurance coverage for the infrastructure. Thus far, through this quarter, four MUS schemes have been insured.

During the reporting period, PAHAL worked with local governments' rural/municipality engineering units to build the technical capacity of their engineering teams in water technology selection, system design and application. During the quarter, PAHAL supported two 3-day training workshops (one in each region) for government engineers. PAHAL is also working with a few USAID implementing partners in the Rangoon Khola watershed in Dadeldhura District to coordinate the USAID-initiated Integrated Watershed Management Activity (IWMA) at the field level. During the quarter, PAHAL collaborated with the the USAID SUHAARA program on the implementation of the Hamtad soil cement tank and the USAID Hariyo Ban II program on the construction of the Milan Debari irrigation scheme, as well as other integrated activities.

PAHAL has taken a cross-sectoral approach to ensure that water technologies function to build resilience. PAHAL's water and WASH technologies not only prevent potential health shocks and stresses, they also directly contribute to improved food security. Appropriate water management is essential to helping households navigate increased water scarcity, manage flood-drought cycles, and ensure a healthy natural resource base that supports agriculture even in unfavorable seasons. Changes in dietary habits that are supplemented with nutritious foods produced in home gardens and increased incomes stem from the productive use of water. By increasing water access for each household to meet their daily multiple water needs, MUS also have a substantial impact on WASH services, thereby supporting local and national sanitation campaigns. Improved and reliable water access helps to meet five basic criteria to address comprehensive sanitation: clean toilet use, proper hand washing practices, access to safe drinking water, maintaining personal hygiene, and liquid and solid waste management. Access to clean drinking water reduces water-borne diseases and MUS serve domestic use by delivering tested, clean water directly to the community. Therefore, PAHAL's water technologies play a transformative role in household food security and risk management strategies by alleviating women's work burdens related to collecting water and caring for the sick.

Again, referencing the IMT, of the 14 IMT indicators used, one is directly related to the water component. Based on the May 2019 IMT report, the analysis and findings are presented below:

1. "Water User Groups (WUGs) and Farmer Groups (FGs) have plans in place for multiple use water schemes." Based on the criteria and scoring used by the IMT, there is not a single WUG/FG out of the 242 communities that doesn't know the importance of multiple uses of water. 100% of the community groups have the knowledge (or are trained) in the multiple uses of water. Further, 93% of the community groups understand the usefulness/benefits of multi-use water systems. 62% of the community groups have constructed multi-use water systems. Finally, 17% of the community groups are using their multi-use water systems in sustainable ways. Therefore, the IMT results show that 83% of the WUG & FG in the 242 communities have not yet fully adopted practices required for the sustainable use of their MUS. This is something the program plans to address in its no-cost extension period.

3.3 Improved access to productive natural resources and resource management systems

Access to productive natural resources help HHs build adaptive livelihood strategies, diversify risk profiles, and support ecosystems that absorb or reduce shocks and stresses. A productive natural resource base is also essential for increasing and preserving water supplies in support of adaptive agricultural

techniques, WASH strategies, and food utilization practices. Sound natural resource management (NRM) practices are essential to mitigate natural hazards, improve soil productivity, increase water tables and boost agricultural production towards increased food availability and access. In order to achieve productive natural resources and resource management, PAHAL supports Community Forestry User Groups (CFUGs) in building their capacity as key service providers in the delivery of goods and services to targeted populations in equitable and sustainable ways. PAHAL's NRM interventions assist households to diversify their incomes by providing access to resources from community forests and by strengthening CFUGs in sustainably managing their community forests for long-term use.

During the 3rd quarter, PAHAL's activities mainly centered around adaptation measures to reduce disaster risk and climate change impact on watersheds, disaster prone areas and water sources. For this, watershed protection activities were carried out in watersheds in Rangoon, Dadeldhura and in Jhimruk, Pyuthan. Sites were selected and the communities oriented on appropriate bio-engineering procedures with both theoretical and practical demonstration sessions conducted. In Dadeldhura, a site was chosen at Milandebari, Parshuram-9, where a bamboo fascine was built to protect the irrigation canal, which will irrigate a nearly 20 hectare area, benefitting 25 HHs with this

Stream bank protection in Bahane, Pyuthan-5, Pyuthan

protection. Similarly, in Pyuthan, watershed protection activities were carried out at two sites (Aarudara, Pyuthan-5 and Bahane, Naubahini-6). At the Aarudara site, an intake was constructed to protect the water source, which 16 HHs benefitted from. Similarly, at Bahane, a gabion and dry wall check dam were constructed to protect two hectares of farm land from landslides and from stream cutting/erosion, which 27 HHs benefitted from. Additional bio-engineering work was carried out on another 14 different sites, which protected nearly 28 hectares of land. Altogether 253 HHs have benefitted from protection and mitigation activities during the reporting period.

Along with these regular activities, NRM component activities such as Sustainable Forest Management (SFM) practices, forest fire management training, and CFUG institutional governance trainings, were conducted. Altogether, 30 participants (25 male & 5 female) attended these programs.

To monitor the effectiveness of executed activities. and to provide further technical support, regular follow-ups were carried out by an NRM Officer and NRM volunteers. The follow-up was primarily focused on 16 multipurpose nursery sites, 5 plantation

Fire simulation training in Kulebhat, Milandebari, Dadeldhura

sites, 3 community forestry land allocation sites, and 13 CFUGs to assist with accounting and recordkeeping.

From the IMT, of the 14 IMT indicators, 3 major indicators are directly related to the NRM component. Based on the May 2019 IMT report, the analysis and findings are presented below:

1. "CFUG allocate land for landless and marginalized individuals." Based on the criteria and scoring used by the IMT, only 7% of all CFUGs in the 242 communities don't have a provision to allocate land to landless and marginalized individuals, or these households are not a member of any CFUG. 93% of CFUGs have such a provision and have been trained on this. 48% of all CFUGs and landless/marginalized individuals understand the importance of such a provision, but land has not yet been allocated across all communities. In fact, only 29% of CFUGs have allocated land for landless and marginalized individuals, but people have not started getting benefits from this allocation yet. In only 4% of the CFUGs are the landless and marginalized individuals starting to receive some benefit from the land allocated to them by the CFUG. Since PAHAL's objective is to assist all CFUGs in allocating land to the landless so that they can benefit through enhanced income opportunities, this component requires more support (technical as well as financial) to accelerate the process.

2. "Households have access to forest resources - timber etc. - when their house/building structure is damaged/destroyed by shocks (fire, earthquake, flood, landslides etc.)." While analyzing this indicator, it appears that almost all HHs that have lost structures to a disaster are receiving forest resources when resources are needed, and if they are abundant. Only 1% of HHs do not have access to forest resources, or are households that are not members of any CFUG. All of the HHs that are members of a CFUG have a provision to provide forest resources to households affected by shocks and stresses. 14% of CFUGs have such a provision, but only a <u>few</u> households are benefitting (due to inequitable distribution or lack of resources or difficult procedures to follow, etc.); while 43% of households report that <u>many</u> HHs are getting the provision but only part of the time; and, 29% of <u>all</u> households receive forest resources when they are affected by this type of shock. 11% of HHs have not experienced this type of shock. There seems to be strong intent within CFUGs to support disaster victims, but due to limited resources available in many CFUG, they are not able to provide sufficient forest resources at the time of need. Hence it is felt that groups have to increase the yield of forest resources through improved management practices in the future in order to meet this need.

3. "Community groups (LDMCs, FGs, WUGs, and CFUGs) have implemented mitigation measures (green engineering approaches) jointly to protect natural resources (land, forest, water)." Based on the criteria and scoring used by the IMT, it was found that 1% of groups have no knowledge of the effects of climate change on natural resources and no skills around mitigation measures. Whereas 99% of groups have been trained/oriented on effects of climate change on natural resources and have skills on mitigation measures. In addition, almost the same percentage (98%) of groups understand the importance of mitigation measures to offset the adverse effects of climate change on natural resources. 39% of groups have implemented/carried out mitigation measures to protect natural resources. 14% of groups claim that natural resources are well protected and managed, risk is being reduced, resources have increased, and are now being distributed sustainably.

4. Economic System

PAHAL's Economic System is comprised of the agriculture and non-agriculture markets (sub-IO 5) and financial services (sub-IO 4) subsystems, which are critical to growing resilient income opportunities for PAHAL households. PAHAL focuses on building household resilience capacities to withstand shocks, from all four systems, to their livelihoods by simultaneously focusing on the supply and demand side of the economic system. The economic system is designed to build equitable opportunities for marginalized castes, vulnerable men and women, youths, and smallholder farmers to create and expand on farm and off-farm livelihoods in the face of climatic shocks, while at the same time building capacity of inclusive service providers. The interventions within the economic system aim to achieve three major results:

  (i) Female and male smallholder farmers, land poor, and landless groups produce profitable, nutritious, climate adaptive crops/livestock using practices that reduce land degradation, sensitivity to floods, droughts, landslides, pest and diseases, and low water availability;

  (ii) Micro, Small and Medium Enterprises (MSMEs) generate profit by providing inputs, buyer's markets, and other key services (processing, packaging, collection, transport) to vulnerable groups in support of climate adaptive, risk sensitive on and off-farm livelihoods; and

  (iii) Female and male smallholders, landless, land poor, and MSMEs use savings, loans, remittances, and insurance to invest in and protect climate adaptive, risk sensitive on and off- farm livelihoods.

This quarterly report aims to highlight the major achievements along with initiations made on integration, layering and sequencing at systems and subsystems levels.

4.1 Improved access to dynamic and responsive agricultural and non-agricultural markets

In Mid and Far-West Nepal, agriculture remains the primary livelihood source, but poor infrastructure, lack of access to markets, and harsh weather patterns reduce production and income. Being able to access and participate in agriculture and non-agriculture markets is critical since those directly affect food availability and assist in developing essential absorptive and adaptive capacities. During the reporting period, PAHAL once again focused on both input and output market development for agriculture and livestock production and sales. The program continued developing resilience and technical capacities for producing and marketing nutritious foods for both household consumption and income generating commercial production. PAHAL continued promoting climate-smart, gender friendly technologies to increase food security and resilience capacities of the vulnerable farmers in the mid and high hills of mid and far west Nepal.

During this quarter, PAHAL facilitated 530 different agriculture and market system activities in the regions, which included 346 'attendance-related' activities (meetings, trainings, demonstrations, etc.) and reached 4,357 (3,339F; 1,018M) farmers. Other activities facilitated during the reporting period focused on capacity building, market system development and the sustainability of agriculture-related interventions.

Support to FGs continued to be at the center of the approach, with focus on increasing both household and commercial production and income targeting viable production and marketing interventions for livestock, alternative crops, and vegetables, including nutrition-focused approaches such as perma- and

kitchen gardens. FGs were linked to a range of services to facilitate market participation, strengthen governance, and manage environmental risks.

PAHAL completed the remaining field level activities during the quarter that focused on increasing farmers' production capacity for the program's nexus crops (legumes, pulses, spices and non-timber forest products) intended to diversify the food availability and provide more resilient agricultural income sources for vulnerable farmers. During the quarter, PAHAL facilitated seven trainings and one demonstration session on climate-sensitive legume production and post-harvest handling of legumes, pulses and spices reaching 177 farmers (F:121, M: 56). As a part of the program's resilience integration strategy, agro-vets conducted two technical trainings for 63 farmers and CFUG members (F: 40, M: 23).

To increase the marketing of these nexus crops, eight district level Micro, Small and Medium Enterprises (MSME) (at the farmer group level) received support from the program during the quarter to improve grading, sorting, and packaging. The program also facilitated one final event with collection centers, traders, input supplies, and producers to support information exchange (market, climate, price) and to negotiate production and sales, benefiting 158 MSME. During the quarter, the program increased its focus on improving off-farm livelihood opportunities for non-producer/farmer group members (landless, land poor, returning migrants and marginalized castes) as well as MSMEs willing to expand their business and services. PAHAL supported 13 farmers with livelihood start-up and business/service expansion, focused on off-farm market employment opportunities.

Increasing Income from Tunnel-Grown Vegetable Production

Mrs. Dadha Kumari Bhusal, chairperson of Srijansil Farmer Group (FG), lives in Jumrikanda-5, Sirbang, Pyuthan. The area faces problems of inadequate irrigation due to the drying-up of local rivers, with few alternatives for irrigation. However, farmers still need to grow cucurbits, cauliflower, and other seasonal vegetables, which are their major means of livelihood in subsistence farming.

With technical and financial support from PAHAL, the FG received training and demonstrations on climate smart technologies, which included various water, crop, and nutrient management practices and technologies. Mrs. Bhusal was inspired so she decided to try cultivating tomatoes differently by applying the innovative climate smart practices she was trained on, but she remained sceptical. She planted tomatoes in both open fields and a plastic tunnel during the rainy season. The tunnel-grown crop produced 1.5 times more income (about NRs 60,000). She has now fully adopted the technology and has planted tomatoes in three plastic tunnels. Recognized as a pioneer farmer in her locality for practicing and assisting others in her group with these advanced technologies, Mrs. Bhushal explained, "This year, the long harvesting duration of six months was made possible due to my plastic house, which generated more income than before."

In order to increase vegetable production, PAHAL concentrated on increasing farmers' access to input supplies and developed input and output markets in remote communities. PAHAL facilitated seven meetings with 231 (F: 132, M: 99) agro-vets, input suppliers, government representatives and producers to increase access to agro-input supplies in the communities. In addition, during the period PAHAL facilitated two events involving 39 members from local farmers and marketing and planning committees (MPCs) on post-harvest handling, grading, sorting and packaging of vegetables. The program also facilitated one quarterly meeting of MPC members, lead farmers, and local traders to monitor collection centers, identify strengths and weaknesses, and evaluate performance. PAHAL promoted strong linkages between FG, agro vets, and local government; as a result, three plant clinic events benefiting 152 farmers, were held. PAHAL also conducted four demonstrations on the use of environmental Personal Protective Equipment (PPE) at four model farms to improve knowledge on safe handling and appropriate use of pesticides, as well as environmentally friendly farming practices.

PAHAL provided farmers information on the production and marketing of goats through cooperatives and traders. To support improved goat production: six multipurpose fodder nurseries were established; one mineral block preparation demonstration was organized benefitting 18 goat farmers (F: 9, M: 9); and, one animal health camp was completed, in collaboration with the local government and private sector service providers, benefitting 119 goat farmers. To improve on uniform goat pricing and better marketing practices, the program conducted 11 meetings between producers, government, and related stakeholders and established four collection centers and four fresh marketing houses.

PAHAL also continued nutrition-focused agriculture support to farmers on adopting kitchen and/or perma-gardens and cereal production. Lead farmers conducted eight perma-garden demonstrations involving 180 farmers (F: 142, M: 38), 33 cereal crop demonstrations, and improved climate and gender sensitive technologies that reached 741 farmer group members (F: 577, M: 164).

In line with PAHAL's sustainability and exit strategy, farmer group members have been linked with private sector service providers and government stakeholders for services and resource leverage. PAHAL is also promoting crop and livestock insurance to cope with shocks and stresses. As a result, 160 farmers have taken livestock insurance policies mainly for their breeding stock. In addition, PAHAL conducted nine municipality level progress-sharing meetings for sustainable linkage of the farmers group with local government.

Among the 14 IMT indicators, 3 measure the contribution related to agriculture and marketing components. Based on the May 2019 IMT report, the analysis and findings are presented below:

1. "Farmers are buying inputs through Agro Vets." Based on the criteria and scoring used by the IMT in PAHAL's 242 integrated communities, all farmers have received training on and understand the importance of quality agro inputs from Agro Vets or extension agents. 84% of farmers are buying inputs from Agro Vets, and, 13% of farmers are receiving high-quality services and are satisfied with the services received from Agro Vets. While a very high proportion of farmers are purchasing at least some of their inputs from Agro Vets, improvements in service quality is still required.

2. "Farmers are selling through collection centers (or existing markets)." Based on the criteria and scoring used by the IMT, farmers in all 242 communities have been trained on and are aware of collection centers and other places to sell their products. 95% of farmers have a positive attitude

towards collection centers. 58% of farmers sell through collection centers (or through some other existing market mechanism), while 11% of farmers report being satisfied with the services/mechanism. The IMT scores reflect that the majority of farmers have a positive attitude and are selling through collection centers, however, there is still a gap for profit sharing among the farmers and the availability of functional collection centers for selling products.

3. "Households regularly consume vegetables grown from their kitchen/perma garden." Based on the criteria and scoring used by the IMT, households (HHs) in all 242 communities are aware of the value of kitchen/perma gardens, and have the necessary skills to grow vegetables. In addition, HHs were found to have a positive attitude towards the consumption of nutritious vegetables grown in their kitchen garden. 60% of HHs grow and consume vegetables, but not a diverse variety and not on a regular basis. An encouraging 33% of HHs grow more than three nutritious vegetables at a time and consume them regularly. There remains a need to focus on year-round production in kitchen/perma gardens and more diversity in both production and types consumed.

4.2 Improved access to appropriate and diverse financial services products

Financial services build crucial adaptive resilience capacities through the access to loans and remittances. In addition, absorptive resilience capacity is enhanced through access to diversified savings and insurance. PAHAL's focus has been on building the technical, operational and governance capacities of local financial cooperatives to serve as financial service providers to the remote, underserved communities in Nepal. During this period, PAHAL assisted an additional 962 community members to increase access to financial services, while also continuing to strengthen the 82 financial cooperatives in Mid and Far-West Nepal.

PAHAL has found that Financial Literacy Trainings (FLTs) continued to be the most effective tool for increasing cooperative membership. During this reporting period, cooperatives continued to fund FLTs out of their own budget (NRs 165,000 or $1,500), completing 33 FLT trainings, reaching an additional 709 community members and resulting NRs 27,462,309 ($249,657) in savings collected through a variety of savings options including mandatory, child, emergency, festival, pregnancy, and voluntary savings.

In total during the period, the PAHAL-supported cooperatives provided 2,350 cooperative members with loans with a total value of NRs 86,879,482 ($789,813). Of those loans, 49% were provided to agri-business MSMEs, 39% to off-farm businesses, 1% for risk mitigating purposes, and 11% for consumption and family needs. The total percentage used for consumption and family needs is slightly higher than the previous quarter. While the cooperatives made significant progress on the purpose of each loan over the past few years, there still is room for improvement on ensuring that loans are leading to successful businesses and higher incomes for HHs.

PAHAL supported insurance interventions during the period through local insurance agents associated with the 82 cooperatives. During the reporting period, cooperative members purchased 301 livestock insurance policies with a total value of NRs 3,053,600 ($27,760).

Remittances provide a huge opportunity to increase income and investment in Nepal. During the reporting period, seven cooperatives were able to facilitate 693 transactions worth NRs 22,881,924

($208,017) for PAHAL beneficiaries. This is an average of $300 per transaction and 99 transactions per cooperative.

From the 14 IMT indicators, 2 indicators measure the contribution related to financial services. Based on the May 2019 IMT report, the analysis and findings are presented below:

1. "Members of farmer /goat groups are also members of a financial cooperative." Based on the criteria and scoring used by the IMT in the 242 communities, all group members are aware of financial management, where resources can be received, and about the function of cooperatives. Plus, all group members have received training on financial literacy and 99% of group members understand the importance of financial management and cooperatives. 88% of group members joined a financial cooperative and are achieving the mandatory monthly savings. 29% of group members have practiced family budgeting and taken a business loan. The IMT score reflects that a majority of members have joined a financial cooperative and are saving money on a regular basis. However, more effort is needed for encouraging family budgeting and taking business loans.

2. "Households have access to loans to prepare, mitigate, respond to or recover from different shocks and stresses." Based on the criteria and scoring used by the IMT, all HHs are members of a cooperative but 4% of HHs belong to a cooperative that doesn't have a provision for loans to prepare for, mitigate, respond to or recover from shocks and stresses. 32% of HHs are unaware that their cooperatives have this type of loan provision. 46% of HHs are aware of such a provision, but only a few are getting such loans, either because it's a difficult procedure, or due to insufficient resources or inequity. 18% of households have access to such loans and take such loans as needed. Based on these findings, more effort is needed to ensure cooperatives have a provision for such loans, that they are equitably accessible, and to make sure that HHs are aware of this provision.

5. Social System

To achieve PAHAL program's goal of food security, the social system aims to enhance community members' WASH and nutrition knowledge and skills. The system aims to achieve two major results:
   (i)   Vulnerable groups consume sufficient amounts of diverse, nutrient-rich foods, reducing their risks to health shocks and improving productivity; and
   (ii) Marginalized groups effectively manage water for domestic and productive use to address water stresses, and use sanitation and hygiene practices that reduce disease outbreak.

The social system is comprised of two major subsystems which are nutrition and sanitation/hygiene services. This quarterly report highlights the major achievements along with the initiatives to integrate, layer and sequence at systems/subsystems levels.

The majority of social system activities during the quarter continued to focus on close-out, handover and sustainability, as direct implementation of this system was phased out of PAHAL earlier in the year, but key nutrition and WASH messages remain integrated across agriculture, financial services and water interventions.

Of the 14 IMT indicators, one indicator measures the contribution related to the social system component. Based on the May 2019 IMT report, the analysis and findings are presented below:

1. "Households properly use water for hygiene and sanitation." Based on the criteria and scoring used by the IMT, no HHs in the 242 communities lack knowledge and training on the proper use of water for hygiene and sanitation, and all HHs in the communities have a positive attitude about properly using water for hygiene and sanitation. A commendable 84% of HHs properly use water for hygiene and sanitation and 25% of HHs are experiencing better health and improved sanitation as a result.

6. Transformative Systems (Governance, Equity, and Inclusion)

To achieve the goal of food security through building community resilience, PAHAL's transformative capacity is investing in building a strong and well-connected civil society at the LNGO and community level; empowering and mobilizing the community in development planning and decision making processes; holding duty bearers accountable by advancing the use of social accountability tools; and working on inherent social norms, values, beliefs and practices. Focusing on these elements of transformation leads to creating an enabling environment for beneficiaries to enhance their skills and knowledge, change their norms and beliefs, and enjoy their rights. PAHAL's transformative capacity builds on three cross cutting sectors namely: Governance and Coordination, Gender Equality and Social Inclusion.

PAHAL has continuously engaged in empowering communities, including vulnerable and marginalized groups, in the local level planning and decision making processes. PAHAL has promoted and built capacity in local level planning, and as a result, community members have learned how to identify, prioritize, and plan for their needs. They have engaged in advocating for their resources and endorsed a number of proposals during the local level planning process. At the same time, loose networks at ward/and sub-ward levels have been supporting community members to refine their proposals and to strengthen their voices during the process. Now, community access to government funding and other resources is in an increasing trend in PAHAL communities. As a result, PAHAL-supported groups have developed and submitted 87 proposal applications to ward government offices worth $141,150. These have been in the sectors indicated in the table below. Out of the 87 proposals submitted, 31 proposals, with a total value of $24,450, have already been approved and the remaining proposals are in the approval process.

> *"I received opportunities to participate in various capacity building initiatives conducted by PAHAL, which motivated me and increased my confidence level. Now, as a loose network leader, I can prioritize our community needs with the local government. Through our engagement in the Alital Loose Network, we received funding for three projects (equivalent to $3,000) from the Alital Rural Municipality."*
> **Mrs. Sarswati Paneru, Alital Loose Network, Alital, Dadeldhura**

PAHAL initiated the formation of "loose networks" at the sub-ward level to bridge the noted gap between the settlements and ward level government under the new and recently enacted federal structure. These loose networks are playing three over-arching roles: 1) to facilitate an inclusive planning process; 2) to disseminate knowledge and information to communities, particularly to marginalized households; and 3) to aggregate voice for collective advocacy and hold government accountable. Loose networks act, therefore, as both a platform for communication and dialogue, as well as a means for information sharing.

Local level governments thus far have welcomed the establishment and functioning of these loose networks, considering them as partners in facilitating good governance. Therefore, the scope of these networks is widening as Nepal progresses towards the implementation of the new federalization process.

PAHAL formed three new loose networks during this quarter, involving 29 members (F: 14, M: 15). To date, PAHAL facilitated the creation of 127[1] loose networks at ward and sub-ward levels involving a total of 1,975 (F: 1,230, M: 745) members in those networks. Women hold 51% of the key leadership positions in PAHAL's 127 loose networks and 59 of those are led by female chairpersons. During the reporting period, PAHAL organized a design workshop with their technical support team to develop the content for a Loose Network Guide. This handbook will include a how to guide for forming and mobilizing loose networks, as well as a variety of tools needed, to support the federalization process in Nepal.

Table 4: Status of the Proposals Submitted by PAHAL Supported Groups in the Planning Process

Sector	#of Proposals Submitted	Proposed Amount ($)	#of Proposals Approved	Approved Amount ($)
Agriculture	27	61,750	9	9,850
DRR	2	8,000	1	3,000
Water	3	16,000	0	0
Governance & GESI	53	50,400	21	11,600
Financial Services	2	5,000	0	0
Total	**87**	**$141,150**	**31**	**$24,450**

The program has been coordinating and building the capacity of PAHAL's implementing partners, community groups, and rural/municipalities, to hold them accountable for the quality, availability, access to and responsiveness of government services for all citizens, including vulnerable and marginalized groups. Those initiations have enabled citizens as well to demand for a governance system that ensures accountability of power holders and public actors. Directed at this focus, PAHAL provided technical and financial support to 19 ward level governments to conduct social audits and public hearings during this period. Similarly, two rural municipalities conducted public hearings as well. A total of 1,263 (F: 617, M: 646) participants attended those 21 ward and rural/municipality organized events. In addition, PAHAL strengthens institutional capacities of community groups to become inclusive and responsive to the needs from their communities. In this regard, PAHAL supported five groups in conducting social audits and 24 public audit events during this period. A total of 801 individuals participated in those 29 events in the period. During those events, they also reviewed progress on their action plans from

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[1] There was a data error in the PAHAL Year 5, Q2 narrative report regarding the number of loose networks formed and members involved. The data presented in this report is accurate and final.

previous events. While reviewing the progress of previous audit action plans, the following activities were found to have been well implemented by the wards and rural/municipalities:

- Ward offices have installed complaint boxes and displayed citizen charter boards
- Increased practice of monitoring and supervision of infrastructure construction projects.
- Conducted public hearings on a quarterly basis.
- Ward Offices have conducted capacity building training for the members of the Tole Development Committee.
- Wards and rural/municipalities have conducted events in recognition of senior citizens.
- Ensured female participation in all types of programs at ward level.
- NTC network is accessible in Sapdanda in coordination with Nepal Telecom and Pyuthan Municipality.
- The electricity grid has been extended throughout the Khawang of Naubahini Rural Municipality, Pyuthan.

> *"The role and responsibility of loose networks is simply great for bridging gaps between community and government service providers. Thus, I humbly request that PAHAL initiate the formation of loose networks in all wards before the local level planning process starts, so that loose networks can support ward offices in the local level planning process."*
> **Ms. Ram Kirani Roka Magar, Vice-Chairperson of Thabang Rural Municipality, Rolpa**

Similarly, previous audit action plans implemented the following:

- Registered and renewed farmer groups in rural/municipalities
- Conducted hygiene and sanitation campaigns every month.
- Kitchen gardens maintained and expanded.
- Regular meetings held by farmer groups.
- Lobbying and advocacy to endorse plans in local level planning process.
- Farmer groups conducted their general assemblies.
- Group level social audits have been practiced by some groups in their own initiations.
- Waste water managed and utensil dryers are installed in each house.
- Monitored agriculture and WASH activities in communities.

> *"Thanks to PAHAL for introducing us to social accountability tools like public hearings by which we can ensure our transparency and accountability. Therefore, we became first ward office that conducted public hearings in the district effectively. It was impossible without PAHAL technical support and encouragements."*
> **Mr. Gagan Roka, Chairperson of Naumule RM-4, Dailekh**

Deputy Mayors and Vice-Chairpersons facilitated orientation sessions on the judicial provisions of the Local Government Operation Act (LGOA)-2074 for 76 participants from three loose networks. They also received orientation on the other acts and regulations related to gender-based violence. Deputy Mayors and Vice-Chairpersons chaired the Judicial Committees in the rural/municipalities according to the LGOA. Similarly, PAHAL supported community groups, loose networks, ward offices and rural/municipalities in celebration of the 109th International Women's Day with the theme of *"Think equal, build smart, innovate for change"* on March 8, 2019. They organized rallies, discussion programs, song competitions and other activities to celebrate the day. Altogether 50 programs were organized for 12,241 participants (F: 9,047, M: 3,194) to celebrate women's day.

From the 14 IMT indicators, 3 major indicators are directly related to the Transformative System. Based on the May 2019 IMT report, the analysis and findings are presented below:

1. "Public/Social Audits happen at the group and ward level." Based on the criteria and scoring used by the IMT, out of the 242 communities, all Ward officials and elected representatives and all PAHAL groups are trained on social/public audits and are informed about its process. 10% of the Ward officials and 14% of groups are positive towards the social/public audit process and have shown interest on this process but are not yet implementing the process. 79% of Wards and 73% of groups were found to be implementing social/public audit processes, but follow-up on action plans remain limited. Similarly, 12% of the Wards and 13% of groups are implementing social/public audit processes with follow-up of the action plans being continuous.

2. "Females in executive positions in groups." Based on the criteria and scoring used by the IMT, among the PAHAL supported groups, all members are aware of mandatory provisions regarding female participation in executive committees. 62% of groups have at least 33% females in the executive committee, and at least one female in a leadership position. Similarly, 36% of the groups have fulfilled the mandatory provision of 33% females in executive committees and have at least one female in a leadership position, female members are confident and are found involved in the decision making process.

3. "The community is actively involved in local level participatory planning process." Based on the criteria and scoring used by the IMT, all of PAHAL supported community groups are trained on government planning process and are aware of it. 12% of those community groups

are actively engaging in planning processes, prioritizing plans considering shocks and stresses, submitting plans through proper channels and taking active part in implementing, monitoring and supervising. An additional 60% of the groups are actively planning and developing proposals, but not taking active part in follow-up and implementation. The remaining 28% of community groups are giving positive responses on the importance of planning processes and think that they should take part in this process for their benefit.

Additional technical and capacity building support to PAHAL loose networks is planned for the no-cost extension period to ensure sustainability, clearly defined roles, and strong connections with local governments.

7. Monitoring, Evaluation, and Learning

To meet the Annual Result Reporting (ARR) requirements for FY19, PAHAL conducted the Annual Collection of Data (ACD) survey on indicators that are not collected through the routine monitoring system. Three surveys were conducted, namely the Annual Beneficiary Collection of Data (ABCD), the Agriculture Collection of Data (AGCD), and the Resilience Measurement data collection. PAHAL organized an ACD enumerators' training in Nepalgunj from April 1-5, 2019 where orientation and different sessions were provided on data collection tools, use of the ONA mobile app for the collection of data, confidentiality, ethics, and consent solicitation guidelines. Participants included district project staff from all 14 PAHAL implementation districts, who served as enumerators, with regional and central project team members serving as supervisors during the field survey process.

Actual survey data collection was conducted in all PAHAL districts from April 8th - May10th, 2019. The surveys used both paper based questionnaires and ONA mobile technology. Due to the complexity of the AGCD survey where measurement and tallying were to be physically verified, data was collected using paper questionnaires and verification checklists. Central and regional agricultural officers reviewed the filled questionnaires to ensure consistency and completeness. The questionnaires were verified by the M&E team, who performed final quality checks before sending for entry into the database in Kathmandu. Due to the timing of the AGCD survey in April, some wheat farmers had not yet harvested their crop. However, estimated production data was collected during the survey, which was later verified with actual wheat production values collected after wheat was harvested. The actual wheat production numbers replaced the estimated values for all the wheat farmers who were sampled respondents in the database, with the actual production data used to analyze production.

For ABCD and Resilience Measurement surveys, data was collected using mobile based ONA questionnaires. To ensure the quality of the collected data, parameters such as skip pattern, acceptable ranges, reasons for outlier numbers, and verification checks were built into the mobile app. Before data was uploaded into the system, data review and verification were done at the district level by the program coordinators of the implementing partners. For consistency and completeness, the M&E officer did final reviews and submission. The AGCD data was entered into the MS Excel database by the data entry clerks who were engaged to enter the data from May 23rd – June 9th. The M&E central and regional team supervised the data entry process and communicated with the district M&E team on any verification of data that was found to be inconsistent.

All of the cleaned ACD data was submitted to the PAHAL M&E consultant for data analysis. A data analysis report draft for all three surveys has been prepared by the consultant for review and comments from the PAHAL team. The final version will be submitted to the program by July 31st, which will be used to update the Indicator Performance Tracking Table (IPTT) and for writing the ARR narrative. The final survey reports will be submitted together with the next Annual Results Report (ARR).

Internal Data Quality Assurance Assessment

To ensure that the data and the process that generates data for reporting and decision making are of high quality, PAHAL conducted an internal Data Quality Assurance (DQA) assessment from May 24-31, 2019. The routine DQA exercise was conducted in two implementation districts of Bajura in Far-West and Jajarkot in Mid-West regions. The sampled districts were the remaining of the 14 districts where no USAID or routine DQA were conducted since the project inception. The internal DQA indicators were chosen from the list of PAHAL's Indicator Performance Tracking Table (IPTT) indicators which had not already been investigated and those that had reported substantial data quality issues from the field.

The assessment revealed that the data collection process and use of standard data collection tools have been consistent across all the assessed districts. The program teams each had a copy of the PAHAL Data Management Standard Operating Procedures (SOP) highlighting the district data management process. However, in Bajura, some source documents for the indicators were not found and data was not properly filed. The DQA management team shared the recommended filing process with the district team and assigned a regional M&E team member to help the district team to properly file the data. The verified indicator values from the hard copy reports were found to be consistent with values in the database/ONA. The district attributed this to promptness of using mobile data in data collection. The review of the entered data by the M&E team after entry by the program staff had also improved the quality of reported data, where before the data was uploaded in the database, it is first verified with hard copy files.

PAHAL used the DQA exercise as a capacity building initiative for M&E staff at regional and district levels. The inclusion of the M&E team at all levels was intended to mentor them on how to plan, organize and conduct a DQA exercise. As part of mentoring, the role of the district and regional staff included assessing the data, asking probing questions, sampling the beneficiaries to be interviewed, documenting action-points, facilitating briefing sessions, and writing the draft report. The central M&E team acted as mentors during the entire DQA process. The mentees appreciated their inclusion and reported to have gained skills and capacity on how to conduct a DQA. The final DQA report is attached to this third quarter narrative report.

Learning and Documentation

PAHAL has realized many lessons learned and successes throughout the life of the program, and has collected a great deal of data to provide evidence in support of several innovations, including its integrated, resilience approach. In PAHAL's FY19 PREP, a strong research and learning agenda was articulated. Many of these research and learning initiatives will be highlighted in the November Learning Event, and currently remain a work in progress. Others require additional time, such as the perma-garden study, and can only be completed during a no-cost extension period. PAHAL will continue to communicate and coordinate closely with USAID on the development of these products, to target

specific audiences with relevant messages to meet the needs of USAID, Mercy Corps and other stakeholders.

8. Challenges and Way Forward

Staff Turnover—During this final year of implementation, the program continues to deal with departures that prove to be a challenge for implementation. Also, many local staff take time off to interview for new positions outside of PAHAL, which also causes disruptions to program implementation.

During this period, PAHAL continued ongoing communications with USAID around both a no-cost extension and cost extension. However, without an approval of either (until recently) PAHAL continued to implement its original PREP, including a close-out plan, which was based on the program's original award end date in October 2019. Close-out was envisioned as a gradual process, to be carried out in three phases, 1) implementation, 2) measurement, and 3) administrative, as communicated in the FY19 PREP. Implementation concluded as planned with field activities ending in March 2019, with some spillover into April 2019. As outlined above, measurement focused on annual surveys and a final round of resilience monitoring. As part of the program's administrative close-out, a variety of community and district level events were conducted in June & July, with the program's sub-awards ending in July 2019. Final research, learning initiatives and reporting were planned through the month of September, highlighted by an important September Learning Event hosted by PAHAL, SABAL, and USAID. However, PAHAL recently received approval for its no-cost extension request, extending its award end date through January 31, 2019. In addition, the September Learning Event has been postponed until late November 2019.

As detailed above, PAHAL conducted an assessment of its integrated communities using its Integrated Monitoring Tool (IMT) in May 2019. The results of that exercise were then shared with the team in a Quarterly Review, Reflection and Planning Workshop. The results identified specific gaps in the program's exit and sustainability strategies, gaps that evolved due to an ambitious work plan, as well as the general complexity of the program itself and its integrated resilience approach. With the new current January 31, 2020 end date, PAHAL now has the ability to address some of the most critical of the identified gaps and will conduct a planning workshop for the remaining team in early August 2019.

The additional time provided by the no-cost extension will also allow the program to complete important research and document learnings and best practices for final reporting. PAHAL will be able to focus on analyzing and documenting several of its innovative approaches, including loose networks, resilience integration, and financial services—in practical tools for other USAID food security programs. PAHAL has collected a wealth of data through its routine monitoring, annual surveys and resilience measurement initiatives, which would be continuously analyzed and packaged for effective impact communication products. During this no-cost extension period, PAHAL will focus on emphasizing its learnings and documentation activities to leverage the program's influence beyond the program.